

**VERMONT RAIL COUNCIL
MINUTES OF MEETING
NATIONAL LIFE BUILDING
MONTPELIER, VERMONT
June 8, 2006**

MEMBERS PRESENT: Sam Lewis, Chairperson

Dave Wulfson	William McCormick
George Barrett	Mike Coates
Charlie Moore	Rep. Bill Aswad
Rep. Sonny Audette	Richard Moulton
John Cook	Eric Bohn

OTHERS PRESENT: Charlie Miller, VTrans Rail Operations Section
Dick Hosking, VTrans Rail Operations Section
Anthony Otis, Railroad Association of Vermont
Matt Levin, Vermonters for a Clean Environment
Scott Bascom, VTrans Policy and Planning
J. Jeff Munger, Sen. Jeffords Office
Sen. Hull Maynard, Legislature
Chris Andreasson, Vermont Transit
Karen Songhurst, VTrans
Mary Anne Michaels, Vermont Railway
Mike Smith, Farmrail
Paul Craven
Ron Blenis, Parsons Brinkerhoff
Patrick Garahan

1. Call to Order & Approval of Minutes

Sam Lewis called the meeting to order at 1 p.m. Introductions were done.

Approval of Minutes of March 1, 2006 and April 12, 2006

MOTION by Mike Coates, SECOND by Dave Wulfson, to approve the 3/1/06 and 4/12/06 minutes as written. VOTING: unanimous; motion carried.

2. State Rail Plan Update

Ron Blenis, consultant, reviewed the rail line classification policy for non-through and through routes relative to passenger and non-passenger service in Vermont, and maps showing the rail network in Vermont, first and second priority lines for 286,000 pound rail and vertical clearances, targeted transload facilities, FRA track classification targets (Class I, II, III), and passenger rail initiatives (first and second priorities). There was lengthy discussion of the maps. It was noted the Rail Council is the first organization to review the material thus far (start of the public outreach activity). Regional planning commissions, metropolitan planning organizations (MPOs), and local municipalities will have the opportunity to review the information as well. Ron Blenis explained the

information on the maps will assist in deciding where investments are made in the rail system.

Targeted transload facilities were reviewed. Sam Lewis suggested existing facilities should be differentiated from targeted/proposed facilities. Also, facilities within a specified distance of the state borders should be identified. There was further discussion of existing/projected facilities and issues in certain areas (White River Junction). Mr. O'Brien pointed out the maps start the thinking of how the system will work most effectively. Dave Wulfson suggested differentiating between targeted facilities with and without growth challenges. Sonny Audette cautioned against dictating to local municipalities about facilities in their area. Sam Lewis reiterated the need to identify existing facilities, adding as a policy plan, it would be useful to have a „road map“ on where the state is going relative to transload facilities in order to work toward that as a goal. Rick Moulton mentioned coordinating with the railroads with regard to the facilities. Mr. O'Brien stated the map shows already considered primary areas for consideration of investment. Dick Hosking suggested the facility circle by Middlebury be expanded to include Middlebury and New Haven. Sam Lewis noted there are location needs so a separate facility is necessary in New Haven. Dave Wulfson suggested the Rail Infrastructure Subcommittee review the transload facilities map and forward a recommendation to the Rail Council. Charlie Miller pointed out with the exception of the Riverside yard, there are no other facilities in the southern part of the state so further discussion of potential facility locations is needed. Charlie Miller will schedule a meeting with the Infrastructure Subcommittee.

Regarding classification of track, the map highlights where investments would be targeted, stated Mr. O'Brien. According to the map, the CLP gets a higher ranking than GMRR to upgrade to Class III in determining where to invest project money for track classification upgrade. The map does not show the existing situation. Scott Bascom clarified essentially the map indicates that for freight only and not a through route it makes sense to be Class I track. If the route is a through route with Amtrak then the track should be Class III. Dave Wulfson pointed out FRA classifications are the minimum classification so Class III track needs to be built to Class IV in order to be maintained as Class III. Ron O'Brien clarified the FRA provides a minimum track safety standard, not a design standard. Charlie Miller interjected “under current and immediately anticipated use”. Rick Moulton stated the ABRB-E project should be shown as Class III. Jeff Munger expressed disappointment the entire western rail corridor is not shown on the map as Class III in light of all the federal money secured by Senator Jeffords for the corridor. Charlie Moore noted the difference between Class II and Class III is significant per the FRA with impacts to employment, fuel, customers. Dick Hosking mentioned projects on the Vermont Railway line to Florence will be close to Class III level. Identification of areas to be brought up to Class III on freight lines is needed. Charlie Miller pointed out the policies will have to be changed if that is the case. Chris Andreasson recalled the Infrastructure Subcommittee's preliminary goal was freight handlers. There is not enough funding for every project so freight was targeted. The map helps with the ranking of projects. Rick Moulton stated that if the map is a criteria tool, then the rail line from Rutland to Essex to Canada should be Class III, the line from

Bennington to Rutland should be Class II, and the line from Rutland to Bellows Falls should be Class III. Charlie Miller mentioned there are initiatives to bring the system to higher levels in various areas. In 2001, the Rail Council approved the classification of the system in Vermont. Rick Moulton interjected the Rail Council gave the line from Rutland to Burlington priority and this should be indicated on the map. Mr. Miller assured there are initiatives underway, but a passenger train is not operating on the line from Rutland to Burlington presently. Scott Bascom explained when a passenger train was operating the line priority would be shown as Class III, but when passenger service ceased, the line priority went to Class II.

George Barrett asked about existing conditions and budget. Charlie Miller referred to the Rail Infrastructure Chart showing expenditures. There is \$16 million slated for track improvements on the western corridor over the next five years. Jeff Munger stated there is more than \$16 million including funds transferred from the Burlington to Essex project and money left over from the Bennington project. Charlie Miller noted money was spent on the Rutland rail yard project and the Middlebury rail spur. Sam Lewis stated there is approximately \$60 million for rail improvement projects through 2009. The state actually receives about 90% of the funding. A vision of the rail system in the entire state is needed and then funding can be identified.

Rick Moulton observed in light of the Rail Council consistently supporting ABRB-E, the line from the Canadian border to Rutland should be Class III and Rutland to Bennington should be Class II. Sam Lewis stated the policy would have to be amended in that case. Charlie Moore stressed the revenue generated on the line must justify the upgrade. Scott Bascom pointed out the policy will allow going to Class II if there is no passenger service, but funds are limited. Mr. Lewis stated ABRB-E (western corridor) has approved projects related to track upgrade and bridge work. More projects must be approved by the Legislature to move toward the vision and goal of the line handling passenger service. Earmarked funds do not cover all the work necessary on the western corridor and VTrans must prioritize where money will be spent. All transportation projects in the state are tied into the performance of the Transportation Fund. Hard choices must be made. Dave Wulfson stated the line south of Rutland should be Class II. Charlie Miller stated if operationally the railroad needs a higher classification, that is the railroad's call, but the state has a „dead-end“ line and the policy calls for it to be Class I. Rick Moulton mentioned funding spent on the Bennington project. Charlie Miller confirmed there was an initiative in Bennington, and the policy was not in place when the project was approved. Sam Lewis summarized the discussion by the Rail Council on classification of the rail lines as follows: Rutland to Essex should be Class III, Rutland to Bennington should be Class II. Dick Hosking emphasized the discussion is of a policy, not what exists; it is a vision to have passenger service at some point. Mr. Lewis assured the policy will be reviewed. Scott Bascom suggested the policy be amended to read: “... a through line with passenger service or planned passenger service...”. Charlie Moore asked who decides who gets the funds for an upgrade (the state or railroad company). Sam Lewis answered VTrans will use the map(s). If a project includes passenger rail, a specific number of points will be assigned. A project on a line without passenger service receives no points. The purpose is to build track that allows maintenance to Class III. Dick

Hosking stated it is feasible to work toward a goal of Class III. Chris Andreasson asked if any projects between Florence and Rutland are in danger (of being delay or not done) because they now must be built to Class III. Mr. Hosking stated there is a project in Proctor that can be upgraded to Class III.

There was discussion of the definition of "on-going project". Sam Lewis explained there are projects under consideration, but not actually approved by the Legislature. The budget is presented to the Legislature that identifies projects and funding sources. Then, projects are approved. The approved projects get first consideration for funding from the budget and continue on to be prioritized and ranked then included in the budget, approved, and funded. The status of the project is now "on-going". Staff will provide an update of the projects to the Rail Council.

Ron Olsen stated the passenger rail initiatives shown on the map essentially maintain existing service first then additional service. Mike Coates felt a connection from St. Albans to the Canadian border should be added to the map. Sam Lewis mentioned discussions with Canada about "sealed trains" and the inability to cross the border with trains at this point in time. There was agreement that the line from St. Albans north should be a second priority, the line from Rutland north should be a third priority, and the line from Rutland south should be a fourth priority. Senator Maynard mentioned the rate of deterioration of highways in the state being double what the state has been able to repair/maintain. The Senate Transportation Committee has been trying to increase rail transportation. New England Central Railroad indicated about 1,200 carloads of freight per year can not come into/through Vermont because of the lack of 286,000 pound rail. A decision is needed on what is the better payback: investing in freight or passenger rail service. Sam Lewis recalled the Rail Council has debated investing in passenger versus freight service in the past. Both services need to be addressed.

The Rail Council will forward comments on the Rail Policy Plan to staff. Ron Olsen will incorporate the comments/input and forward the draft to the Rail Council for review. Charlie Miller will schedule a meeting with the Rail Infrastructure Subcommittee to discuss transload facility and track classification.

3. Report from Patrick Garahan

Patrick Garahan reviewed the results of his report on passenger rail service in Vermont and personnel issues at Amtrak which could impact the state (firing of David Gunn) as well as the past financial relationship between Vermont and Amtrak (negotiated contract) and the proposed future relationship (pay 100% of direct costs). Mr. Garahan also reviewed the DMU demonstration project under discussion. Ridership on Amtrak in Vermont has decreased by approximately one-third for various reasons. The existing configuration does not work. There are too many empty seats on the trains which are very expensive to run. Vermont needs smaller trains (DMU) and increased frequency of service. It needs to be decided if revenues offset the cost of Amtrak service to Burlington and Essex Junction. A cost/benefit analysis of use of DMU cars should be done. There are no easy answers. The cost of a DMU power car is \$3.7 million plus \$3.1 million for

the trailers with cab for push/pull operation. Two trains would be needed, one powered, one not, offering 120 seats and a small snack bar.

Sam Lewis gave an update on funding for equipment. The State Treasurer has indicated the state can take out a loan for equipment under the condition the company buys back the cars after three years. This procedure will not affect the state's bond rating. Money is included in the budget for operation of the trains. A proposal from Farmrail has been received for bud cars (reconditioned car to operate as a DMU relative to operating costs, crew, size, operating characteristics). A proposal from Colorado Rail Car has also been received. The FRA is assisting the state through the process of evaluating the proposals. The RIF loan process has been initiated. Approval from the House and Senate transportation committees and the Joint Fiscal Committee is needed. Amtrak is willing to extend the current contract until September, 2006. Train service is important to Vermont, continued Mr. Lewis, but what is there now is not working for a number of reasons, cost being one. It needs to be determined if the state is going to have Amtrak service or find a different way to provide passenger rail service.

There was mention of the delay at the Canadian border which impacts train schedules. Patrick Garahan stated there may be opportunity with combining Amtrak service in New York with service in Vermont. Mike Coates asked about the state offering passenger rail service. Mr. Garahan noted there are issues with insurance and operating outside of the state. Amtrak has rights to use freight rail lines for passenger service. Where Amtrak operates, insurance is capped. Mr. Coates suggested it would be helpful to have an idea of what makes sense and is viable for passenger rail on the western and eastern sides of the state as well as intra- and interstate connections (Springfield to Boston to points west). Also, going to Montreal would increase ridership. Sam Lewis stressed existing service needs to continue as a first priority. If the state has its own equipment, then the service can be expanded to include eastern and western corridor connections. Connecting to Montreal will take some time due to issues with customs, crews, and equipment. Next steps includes reviewing the equipment proposals and meeting with the state administration and the House and Senate transportation committees.

Chris Andreasson mentioned Vermont Transit offers bus service with more frequency than Amtrak between White River Junction and New York City. Increasing the frequency of Amtrak service will impact bus service. Charlie Miller acknowledged impacts on bus service need consideration, but increasing travel options improve the likelihood all forms will be utilized more by travelers. Mr. Andreasson also mentioned the offer from Vermont Transit to provide the same travel service as Amtrak at no cost to the state.

4. Amtrak Update

The Rail Council received a handout showing ridership on the Ethan Allen Express and the Vermonter from July, 2005 through April, 2006. Ridership in April, 2006 showed a significant increase. Ridership in May, 2006, showed an increase from the previous month.

5. Other Business

Project Updates

Sealed trains are being investigated to allow for border crossings. The village of Bellows Falls is concerned about the structural integrity of the hotel on top of the Bellows Falls tunnel. A July start date for construction of the tunnel is slated. Two and a half miles of rail is being replaced on the GMRR line. Welded rail is being installed between Vergennes and Charlotte. Contractors are on board for three slab bridge projects. Planning will begin in another month for work in Proctor, Salisbury, Middlebury, Alburgh. Ties are being installed on the Connecticut River line. The bridges are fixed. Two sidings through the three-way partnership are complete. The third is ready to go.

Rail Council Membership

Attendance at Rail Council meetings and the type of representation/interest groups that are needed on the Council will be reviewed by VTrans.

6. Next Meeting/Agenda

Next Meeting: August 23, 2006, National Life Building, Montpelier, 1 p.m. – 4 p.m.

Agenda Item(s):

State Rail Plan Update

7. Adjournment

The meeting was adjourned at 4:14 p.m.

Minutes respectfully submitted by M.Riordan, Recording Secretary.

“TO DO” List from 6/8/06 Rail Council Meeting:

1. Staff will provide an update of the projects to the Rail Council.
2. The Rail Council will forward comments on the Rail Policy Plan to staff. Ron O'Brien will incorporate the comments/input and forward the draft to the Rail Council for review.
3. Charlie Miller will schedule a meeting with the Rail Infrastructure Subcommittee to discuss transload facility and track classification.
4. Attendance at Rail Council meetings and the type of representation/interest groups that are needed on the Council will be reviewed by VTrans.